WEEKLY ECONOMIC REVIEW

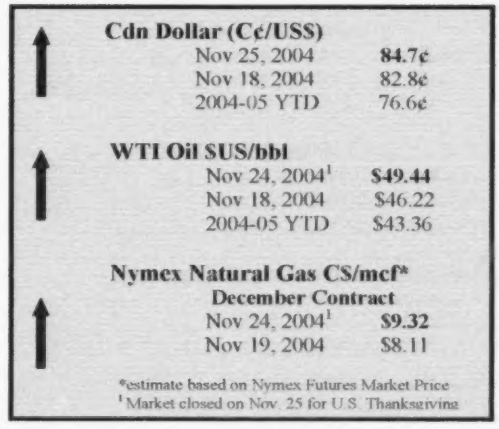
NOVEMBER 26, 2004

The Canadian dollar reached a new 12-year high, touching the 85-cent (U.S.) mark as the U.S. dollar continued its global decline. The greenback fell to multi-year lows against several currencies, amid concerns about the U.S. budget and trade deficits.

Other U.S. economic data were mixed. Durable goods orders fell 0.4% in October, but new jobless claims fell to their lowest 4-week average (332,000) in four years.

In a shortened trading week, energy prices reversed their recent downward trend Renewed concerns about Iraq's oil exports, along with a large drop in natural gas inventories, led to price increases. Oil neared the $50 (U.S.) mark once again.

Canada's CPI inflation rate rose to 2.3% in October, due mainly to higher gasoline prices. However, the core inflation rate (which excludes eight of the most volatile components of the CPI) declined slightly to 1.4%, suggesting that inflationary trends remain benign. Alberta's CPI inflation rate of 1.5% was the lowest of any province.


Cdn Dollar (C¢/US$)
Nov 25, 2004 84.7¢
Nov 18, 2004 82.8¢
2004-05 YTD 76.6¢
WTI Oil $US/bbl
Nov 24, 2004[1] $49.44
Nov 18, 2004 $46.22
2004-05 YTD $43.36
Nymex Natural Gas C$/mcf*
December Contract
Nov 24, 2004[1] $9.32
Nov 19, 2004 $8.11
*estimate based on Nymex Futures Market Price
[1] Market closed on Nov. 25 for U.S. Thanksgiving

Alberta's farm cash receipts rose 14.9% in first nine months of 2004. Higher revenues from an improved crop in 2003 were the main factor contributing to the gain. However, in 2003 net farm cash incomes had fallen 65% from 2002, the result of back-to-back droughts and the BSE crisis.

Alberta's consumer sector continued to show exceptional strength. Through September, Alberta's retail sales were up 10.3% from their 2003 pace - more than double the national growth rate.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date*
Consumer Price Index	October			
Alberta		-0.3%	1.5%	1.3%
Canada		0.2%	2.3%	1.7%
Retail Trade	September			
Alberta		1.8%	12.9%	10.3%
Canada		0.2%	4.7%	4.0%
Farm Cash Receipts	January-September			
Alberta		N/A	N/A	14.9%
Canada		N/A	N/A	6.4%

Source: Statistics Canada

**Year-to-date 2004 compared to the same time period in 2003. For example: January-September 2004 versus January-September 2003*